What everyone should know ABOUT HMOs

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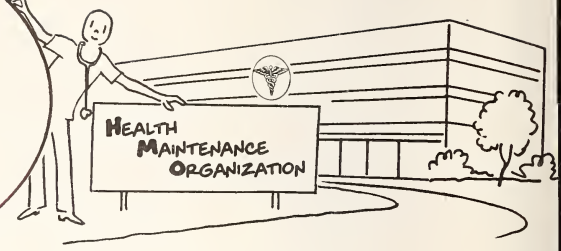
What is an "HMO"?



It's an organization that offers a

COMPREHENSIVE HEALTH CARE PLAN.

In an HMO, people on the medical staff (physicians, nurses, technicians, etc.) work together to provide quality health care to members.

HMOs GUARANTEE

BASIC MEDICAL SERVICES
(routine, emergency, hospital)

TO VOLUNTARILY ENROLLED MEMBERS

- in a given geographical area.
- for a fixed, prepaid fee
- over a given period (usually 1 year).

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HMOs are an **ALTERNATIVE** to existing "pay-as-you-go" health services.

Many insurance plans require you to be hospitalized before you can receive benefits. But HMOs cover your health care costs before you're ill enough to be hospitalized.

HMOs offer complete comprehensive health care, usually at lower total cost.

Preventive care, regular checkups and tests, prompt treatment, coordinated care, up-to-date records that assist in diagnosis, etc., can mean better health with fewer hospitalizations, less surgery.

In other words, **THE HMO TRIES TO KEEP YOU HEALTHY!**

HMOs help **SOLVE HEALTH CARE PROBLEMS** such as --

- ☑ Rising cost of medical care
- ☑ Difficulty getting care when needed
- ☑ Greater complexity of health care
- ☑ Poor distribution of medical workers and facilities.

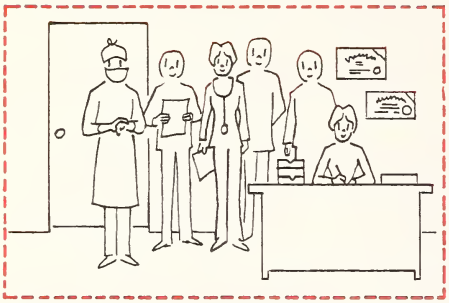
HMOs bring business management principles to the health care field. This means more efficient use of time, services, professional staff and facilities.

Depending on how they're organized, there are

DIFFERENT TYPES OF HMOs.

For example, there are:

GROUP PRACTICE HMOs



These provide health care to members by contracting with a group of physicians and with area hospitals.

- Physicians are usually paid a salary by the group.
- Comprehensive medical care is provided in a convenient, well-equipped medical center.

STAFF HMOs

These are a lot like group HMOs. The only difference is that they employ individual physicians directly, instead of contracting with a medical group.

BOTH KINDS HELP SAVE THE MEMBER MONEY

over regular insurance plans because out-of-pocket, routine medical expenses are extremely low.

BOTH KINDS PROVIDE PREVENTIVE MEDICINE

and early detection of illness so the need for hospitalization is generally reduced.

NOTE: In some areas a third type of HMO, called an individual practice association (IPA), is available. In an IPA physicians contract their services to an HMO, but they provide care in their private offices instead of a centralized location.

Advantages for the health professionals are ADVANTAGES FOR YOU, TOO!

EXTENSIVE FACILITIES

X-ray machines, special testing equipment, etc. are provided by the HMO. Required tests, special exams, etc., can often be performed right at the HMO facility.

24-HOUR AVAILABILITY

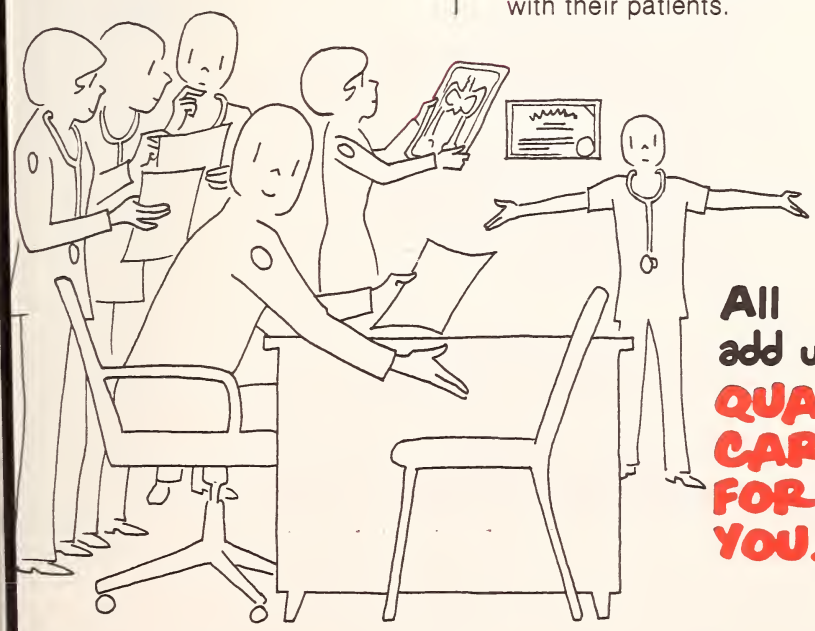
In case of an urgent problem, you are assured access to an HMO practitioner at all times.

EXCHANGE OF INFORMATION

Opportunities to consult with colleagues keep physicians up-to-date on latest medical developments and patients' conditions.

PROFESSIONAL MANAGEMENT

Good business practices and clerical staff free physicians from fee-collecting and paper work -- so they can spend more time with their patients.



All add up to QUALITY CARE FOR YOU!

HMOs ARE A GOOD IDEA

because they're able to provide many services and because they can be run more efficiently.

The
FIXED MONTHLY FEE
means **HMOs** must
use resources wisely
and stay within a budget.

- Services and facilities are shared.
- Drugs and supplies can be bought in bulk.
- Space and personnel are used more effectively.
- Duplication of tests is avoided.
- Surgery and hospitalization are less likely. Sometimes minor surgery is done at the HMO facility.

All mean lower costs
<u>without</u> sacrificing quality care.

HMOs offer CONVENIENT SERVICE

Services can often be obtained at one location, so there is no need to shop around for health care. Also, there is less paperwork, since there are no claims for the patient to file.

HMOs ensure CONTINUITY OF CARE

Because so many services are available to members, including access to specialists and complete record keeping, each patient gets continuity of care -- no inconsistent or unnecessary treatments.

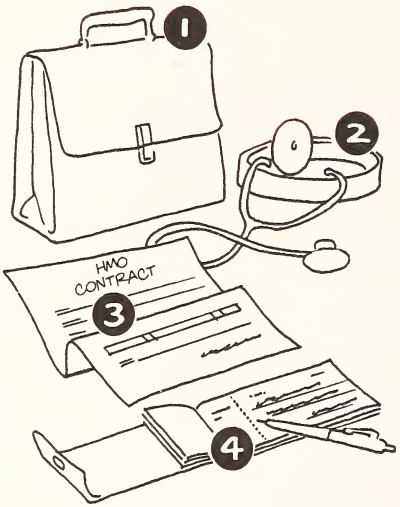
Most HMOs encourage MEMBER PARTICIPATION

Members of federally qualified HMOs can help to make policy by serving as directors of the HMO. The providers and users of services work together for better health care.

HMOs depend on MEMBER SATISFACTION

Competition is a built-in QUALITY CONTROL. HMOs must keep their members satisfied and keep costs down, in order to sustain membership.

4 BASIC PRINCIPLES of HMO operation



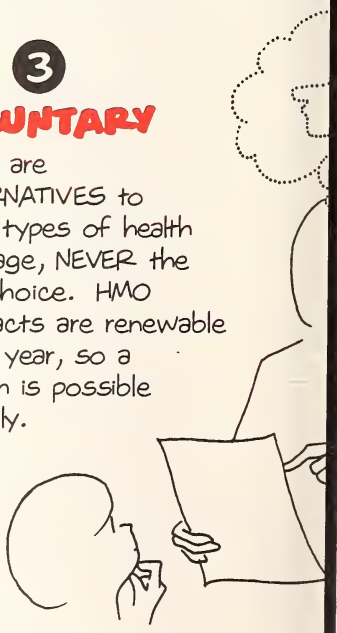
Each HMO must meet the needs of its members, and has its own structure and sponsor. Details of benefits and administration vary greatly, but <u>ALL</u> are . . .

1 ORGANIZED

The HMO puts together a package of comprehensive health services. The organization provides the types of care covered in the contract.

3 VOLUNTARY

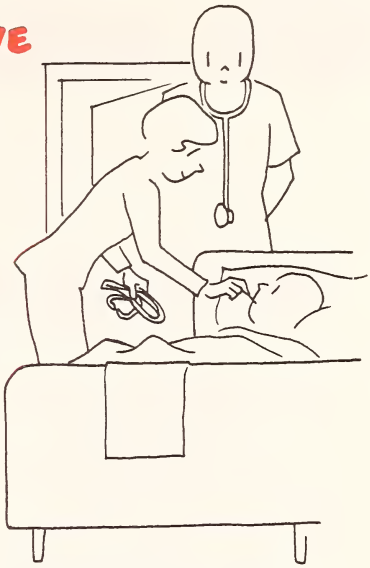
HMOs are ALTERNATIVES to other types of health coverage, NEVER the only choice. HMO contracts are renewable every year, so a switch is possible annually.



2 COMPREHENSIVE

A wide range of expert care is available through ONE program.

Services are delivered when needed. Many HMOs can perform tests usually performed in a hospital. Outpatient and office care, as well as hospital visits, are included.



4 PREPAID

HMO members pay a fixed fee in advance, usually in monthly installments. The cost of health services WON'T CHANGE during the period of your contract. Your family gets all the care it needs without paying additional charges for most services (some HMOs charge a nominal fee for certain services such as office visits, lab tests, etc.).

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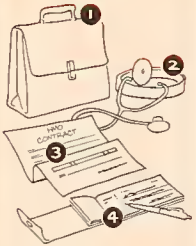

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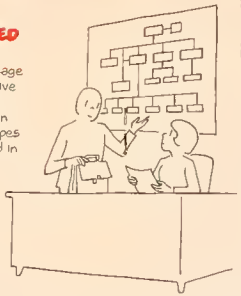

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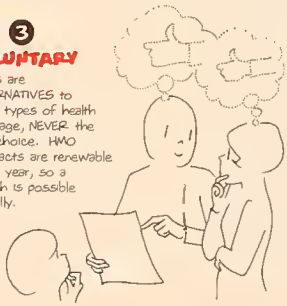

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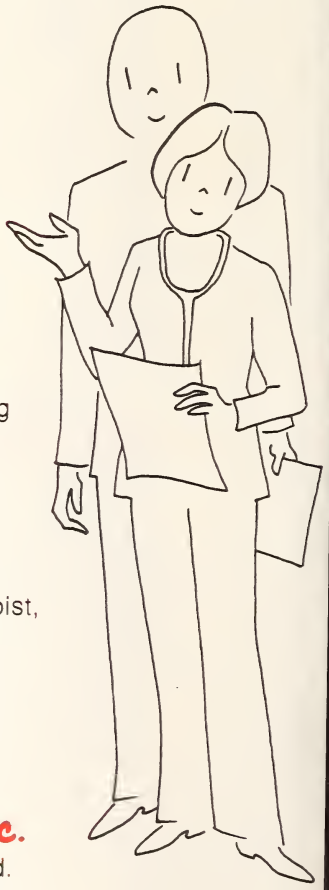
Typical

HMO SERVICES

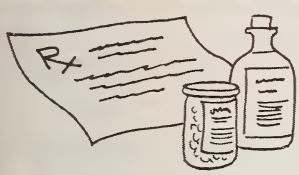
BASIC HEALTH SERVICES

offered by most HMOs include:



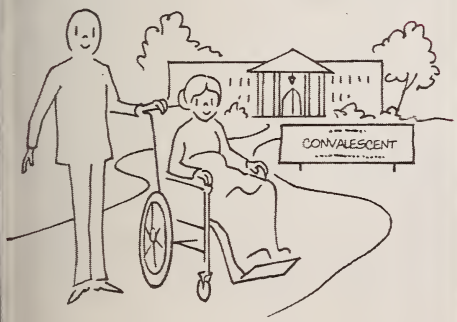
- ☑ **PHYSICIAN'S CARE**
  -- chosen by members from the HMO selection, with ready access to specialists and consultants.
- ☑ **HOSPITAL CARE**
  -- both in-patient and out-patient, including nursing and surgical services.
- ☑ **EMERGENCY HEALTH SERVICES**
  -- 24-hour a day emergency care (including mental health care).
- ☑ **DIAGNOSTIC AND LAB WORK**
  -- such as tests, X-rays, EEGs.
- ☑ **HOME HEALTH CARE**
  -- when necessary, including nurse, therapist, etc., as prescribed.
- ☑ **PREVENTIVE SERVICES**
  -- complete physical exams; family planning; vision and hearing tests; health education; well-baby care; etc.
- ☑ **NO LIMITS ON VISITS, TESTS, ETC.**
  -- you receive all the health care you need.

The HMO contract states which services are covered by the premium. In some cases, there may be an extra charge for house calls, private hospital rooms, prescriptions, etc.



SUPPLEMENTARY health services may be available.

Whether or not these services are available depends on the HMO's personnel and facilities, and members' needs.



☐ **VISION, DENTAL, MENTAL HEALTH SERVICES**

-- beyond those provided under basic services (for example, treatment for problems related to drug or alcohol abuse).

☐ **INTERMEDIATE AND LONG-TERM CARE**

-- such as skilled-care facilities and nursing homes.

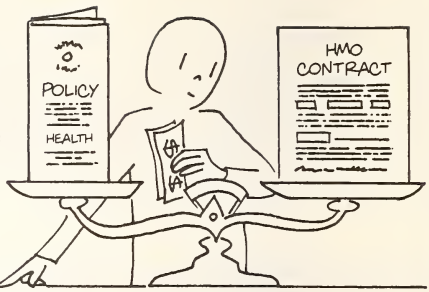
☐ **PHYSICAL THERAPY**

-- and rehabilitation assistance.

☐ **DRUGS AND MEDICATIONS**

-- prescribed by HMO physicians and obtained through a participating pharmacy.

HOW MUCH DOES IT COST to join an HMO ?



Monthly HMO premiums are usually about equal to other medical insurance costs.

- This monthly premium covers **ALL** major expenses -- including the biggest one, **HOSPITALIZATION.**
- Some HMOs charge a nominal fee for certain services.

EMPLOYEES

-- Your employer may pay all or part of your premium.

MEDICARE BENEFICIARIES

-- In many cases, Medicare will pay a premium to the HMO for you. If you enroll in the HMO, you simply continue to pay the part B Medicare premium and, in some cases, a small monthly HMO premium.

IN GENERAL --

- HMO members pay 10% to 40% less for medical care than non-members.
- HMO members spend 30% to 50% less time in hospitals than non-members. (This is due to reduced admissions, NOT shorter stays.)
- If your family should need a lot of medical care, you could save a lot of money.

Complete this form to find out if HMOs can save you money.		
Charges	HMO	Insurance
Monthly premium (plus Medicare part B premium, if applicable)		
Fee for visits, tests, deductibles, coinsurance, etc.		
TOTAL		

Some QUESTIONS and ANSWERS

Can I be DROPPED AS A MEMBER by the HMO ?

NO -- not as long as you continue to pay premiums and renew your contract when it's due. You can use most contractual services as often as you need them.

What if I get sick AWAY FROM HOME ?

Most HMOs will pay for any emergency care performed outside the HMO vicinity as long as the HMO is notified as soon as possible. Follow-up care will be handled at the HMO.

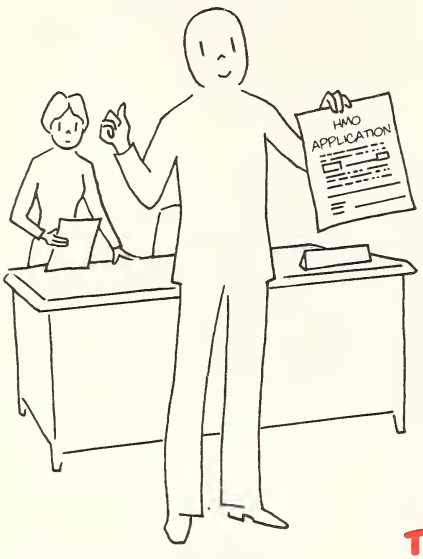
Can I see a physician OUTSIDE the HMO ?

HMOs won't pay for non-HMO physicians' fees unless it's an emergency or you are referred to a specialist by the HMO.

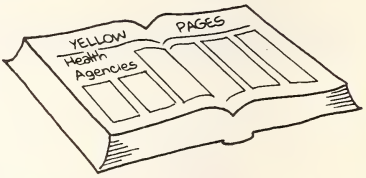
Can I CHOOSE MY PHYSICIAN in the HMO ?

YES. But if your chosen physician is not available when you need care, another qualified physician may treat you.

HOW CAN I JOIN an HMO ?



First FIND OUT if an HMO is available in your area:



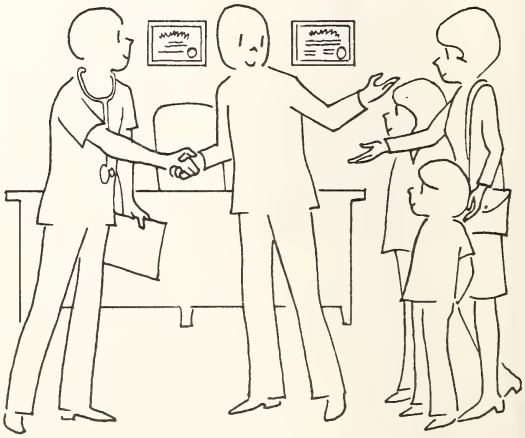
- Check the Yellow Pages of your phone book.
- Consult your union or the personnel office where you work*.
- Contact your local medical society or Social Security office (for Medicare beneficiaries).

* If there IS an HMO available, your employer may be obliged by law to offer you the choice between conventional health insurance and HMO membership.

THEN -- APPLY!

WHEN YOU DO BECOME A MEMBER,

you and your family will be eligible for any needed medical care. Records will be started and updated continually. If any treatment is necessary, it will begin at this time.

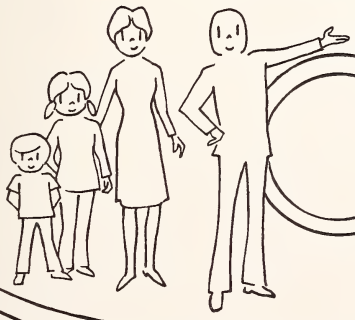


Soo --

CONSIDER THE ADVANTAGES OF

- ☑ PREPAID
- ☑ COMPREHENSIVE
- ☑ PREVENTIVE
- ☑ CONTINUING

HEALTH CARE



Shouldn't your family join an **HMO?**

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